

Message Text

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ACTION EA-09

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

SP-02 LAB-04 SIL-01 OMB-01 /052 W

-----200341Z 019042 /75

R 190932Z APR 77

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 542

LIMITED OFFICIAL USE JAKARTA 5005

E.O. 11652: N/A

TAGS: EINV, ID

SUBJECT: REPORTED NEW FOREIGN INVESTMENT REGULATIONS

REF: STATE 75748

1. BECHTEL'S LOCAL BRANCH IS UNAWARE OF \$100,000 CONSTRUCTION PERMIT MENTIONED REFTEL, AS ARE BANK OF AMERICA, CITIBANK AND E/CM SECTION. DESPITE THIS IT IS STILL POSSIBLE THERE IS SOMETHING TO THIS REPORT AND WE WILL CONTINUE TO KEEP OUT EARS OPEN.

2. THE TAX ON EXPATRIATES IS ADMINISTERED BY REGIONAL GOVERNMENTS AND HAS BEEN IN EXISTENCE FOR MANY YEARS. IT WAS INTRODUCED IN 1957 AT THE FEDERAL LEVEL, BUT IN 1968 RESPONSIBILITY FOR IT WAS TRANSFERRED TO THE REGIONS AND TO JAKARTA. THE AUTHORITY TO LEVY THE TAX IN JAKARTA WAS NOT EXERCISED UNTIL 1971 WHEN IT WAS DECREED THAT ALL FOREIGNERS (EXCEPT DIPLOMATS, MISSIONARIES, ETC) RESIDING IN JAKARTA FOR MORE THAN THREE MONTHS WERE TO PAY AT THE RATE OF RP 7,500 PER HEAD OF HOUSEHOLD, RP 3,750 PER WIFE AND RP 1,875 PER CHILD. IN 1976 THESE AMOUNTS WERE DOUBLED. THE TAX IS NORMALLY PAYABLE ANNUALLY IN FOUR QUARTERLY INSTALLMENTS. THE JAKARTA GOVERNMENT

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RECENTLY HAS INTENSIFIED EFFORTS TO REGISTER EXPATRIATES (SOME 56,000 FAMILIES - 200,000 INDIVIDUALS ARE NOW ON THE ROLLS) AND TO COLLECT THE TAX. THIS MAY EXPLAIN WHY REFTEL SOURCE REFERRED TO IT AS A NEW TAX. SEVERAL E/CM CONTACTS WHO HAD NOT HEARD OF THE TAX PRESUMABLY WILL BE LIABLE WHEN DUNNED.

3. FYI. WE BELIEVE \$100 PER MONTH TAX ON EXPATRIATES
OCCUPYING JOB DEMAND FILLABLE BY AN INDONESIAN APPLIES
ONLY TO CERTAIN SECTORS. WHEN PROMULGATED IN 1974 IT
COVERED ONLY FORESTRY. IT WAS SUBSEQUENTLY EXPANDED
TO INCLUDE TRADE, DISTRIBUTION AND SERVICE SECTORS.
HOWEVER, WE HAVE BEEN UNABLE TO DETERMINE IF INDUSTRIAL
SECTOR WAS EVER ADDED. WILL CONTINUE TO CHECK.
NEWSOM

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN INVESTMENTS, TAXES
Control Number: n/a
Copy: SINGLE
Sent Date: 19-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977JAKARTA05005
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770136-0528
Format: TEL
From: JAKARTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770443/aaaablkn.tel
Line Count: 70
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 1df0b4a2-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 STATE 75748
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 10-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2766966
Secure: OPEN
Status: NATIVE
Subject: REPORTED NEW FOREIGN INVESTMENT REGULATIONS
TAGS: EINV, ID
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/1df0b4a2-c288-dd11-92da-001cc4696bcc
Review Markings:
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